



Paycheck Protection Program FAQs

We know you need access to capital, and we are here to help.

Late last week, Congress approved and the president signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) into law, a portion of which opens up \$350B in loans to businesses through the Small Business Administration (SBA). Known as the Paycheck Protection Program, the program is still being developed by the SBA, but rest assured your Truist teams are working hard to make it available to you as quickly as possible when the SBA finalizes its rules and guidance.

In the meantime, here are some answers to questions you may have.

Am I eligible to participate?

You are eligible if you are:

- A business with less than 500 employees
- A 501(c)(19) Veterans Organization, tribal business or other small business that meets the SBA's size standard
- A 501(c)(3) with less than 500 employees
- An individual who operates as a sole proprietor, independent contractor or is self-employed and carries on any trade or business

How does the borrowing process work?

Financial institutions such as Truist will be partnering with the SBA to administer the program. You'll need to work with your bank to demonstrate your eligibility and help you receive the funding you need. There are no personal guarantees or collateral required for these loans.

Please note that SBA loan applications can be accepted online only.

The program will require you to provide a good faith certification demonstrating you:

1. Have ongoing operations impacted by the current economic environment resulting from the COVID-19 pandemic;
2. Will use the loan proceeds to retain workers and/or maintain payroll or make mortgage (principal excluded), lease, and utility payments;
3. Don't have any other application pending for a loan for the same purpose and amount as applied for here; and
4. Have not received another loan between Feb. 15, 2020, to Dec. 31, 2020 for the same purpose and amount as applied for here.

Independent contractors, sole proprietors, and self-employed individuals will need to provide certain documents (final requirements will be announced by the government) such as payroll tax filings, Forms 1099-MISC, and income and expenses from the sole proprietorship.

How much can I borrow?

You can borrow up to 2.5x average monthly payroll, excluding individual employee compensation above \$100,000 per year, but the maximum loan amount is capped at \$10,000,000 per borrower.

How may I use the proceeds of the loan?

In addition to uses already allowed under the SBA's Business Loan Program, the loan may be used to cover:

- Payroll costs
- Employee salaries
- Group health care benefits
- Mortgage interest (principal excluded)
- Rent and utilities
- Interest on any other debt incurred before Feb. 15, 2020

Are the loans forgiven?

Borrowers are eligible for loan forgiveness in an amount equal to the following amounts documented during the eight week period after loan origination: payroll costs, interest on mortgage obligations (no principal or prepayment), rent and utility payments. The forgiven amount cannot exceed the principal amount of the covered loan.

The amount forgiven may be reduced if you haven't retained all employees or there is a reduction in pay for retained employees.

How long will it take to receive the funds?

We'll work with you to process your application and disburse funds to you as quickly as possible once we receive additional guidance from the SBA.

Do I have to be an existing Truist client to apply for a loan through the bank?

Currently, Truist is only offering these loans to existing clients.

How do I apply for the loans?

You can sign up now to be notified when the application process begins. We'll let you know as soon as we can get started. Truist is working closely with the SBA to ensure that it is able to process loans quickly within the guidelines outlined in the legislation. We are not yet accepting applications; however, you may sign up to receive notification when the application process is available.

Are there other loan products available?

If you need immediate help, the SBA has a disaster relief loan that may be a better fit for you. You can learn more about disaster relief loans on the SBA website. You can also contact a Truist banker about other options.

Enroll at [Truist.com/Business](https://www.truist.com/Business) to be notified of changes

For information from SBA, click [home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf](https://www.home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf)

This document has been prepared by Truist and its legal counsel and is intended to serve as only a high-level summary of specific provisions of the CARES Act. This summary does not constitute advice and does not cover all aspects of the law, including provisions that may be relevant to, or apply differently to, your business, your employees and/or your shareholders. For any specific questions about the CARES Act and how it may impact your business, we strongly encourage that you contact your legal counsel and your business contacts at Truist.

